

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6154

BILL NUMBER: SB 57

DATE PREPARED: Feb 4, 1999

BILL AMENDED: Feb 2, 1999

SUBJECT: Marion County Small Claims Court

FISCAL ANALYST: Susan Preble

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FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill changes the divisions of the Marion County Small Claims Court to township small claims courts and increases the jurisdiction of the courts from \$6,000 to \$10,000.

Effective Date: July 1, 1999.

Explanation of State Revenues: Passage of this bill will decrease revenue to the state and county general funds if certain collection cases which are currently filed in Marion County's courts of record are filed in the Marion County Township Small Claims Courts (now called the Marion County Small Claims Court) instead. In 1984, Marion County's small claims jurisdiction was \$2,000. This amount was increased to \$3,000 in 1988 and to \$6,000 in 1990.

Currently, actions to collect debts in excess of \$6,000 are filed as civil plenary actions for a filing fee of \$100. Of this fee, 70% or \$70 is deposited in the state general fund if the case is filed in a trial court.

The small claims filing fee for actions to collect debts of \$6,000 or less in Marion County is \$50.50 (\$5 township docket fee + \$31.50 [45% of the \$70 infraction or ordinance violation costs fee effective July 1, 1997] + \$6 service of process by mail fee + \$8 service of process by a constable). No portion of the \$50.50 small claims filing fee goes to the State General Fund.

Explanation of Local Expenditures: The threshold increase to \$10,000 for debt collection actions will increase the caseload of the Marion County Township Small Claims Courts. There are nine townships in Marion County. The small claims court system in Marion County consists of nine divisions based on the township lines. The small claims court judges are elected by the voters within the township in which the division of the court is located. The judges serve four terms. The expenses of the small claims courts in Marion County are paid by each division's respective townships through budget appropriations.

Explanation of Local Revenues: Currently, civil cases for amounts over \$6,000 are filed in Marion County courts of record as civil plenary actions for a filing fee of \$100 of which the county general fund receives \$27, or 27%. The other \$3, or 3%, is deposited in the general fund of the cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a circuit, superior, county, or municipal court located in the county.

Passage of this bill would decrease the number of civil plenary actions and increase the number of small claims filings in the township courts at the lower filing fee of \$50.50. All of the \$50.50 small claims filing fee is deposited into the township general funds or paid to elected constables and their deputies. No portion of the \$50.50 small claims filing fee is deposited into the state or county general funds. In 1997, a total of 79,495 small claims actions were filed in the small claims court located in Marion County, and a total of 11,650 civil plenary actions were filed in the Marion County courts of record. No information is available regarding the number of debt collection cases for amounts between \$6,000 and \$10,000.

State Agencies Affected:

Local Agencies Affected: Marion County Small Claims Courts.

Information Sources: IC 33-19-7 (concerning civil filing fees and their distribution); IC 33-11.6-4-15; IC 33-19-5-2; 1997 Indiana Judicial Report (Vol. I, p. 65, Vol. II, p. 67); 1997 Division of State Court Administration Annual Report, Vol. I.